

**CITY OF PONTIAC, MICHIGAN
GENERAL EMPLOYEES RETIREMENT SYSTEM
BOARD OF TRUSTEES
AUGUST 31, 2016**

A regular meeting of the Board of Trustees was held on Wednesday, August 31, 2016 at the Pontiac General Employees' Retirement System Office located at 2201 Auburn Road, Suite B, Auburn Hills, Michigan 48326. The meeting was called to order at 10:00 a.m.

TRUSTEES PRESENT

Sheldon Albritton
Jane Arndt
Koné Bowman
Janice Gaffney
Robert Giddings
Walter Moore, Chairman
Nevrus Nazarko (*arrvd. @ 10:05 a.m.*)
Billie Swazer
Deirdre Waterman (*arrvd. @ 10:02 a.m.*)
Patrice Waterman
Kevin Williams, Vice Chair (*arrvd @ 10:10 a.m.*)

OTHERS PRESENT

Cynthia Billings-Dunn, Sullivan Ward Asher & Patton
Deborah Munson, Interim Executive Director
David Lee, Dahab Associates
Steven Roth, Dahab Associates
Clarissa Cayton-Grigsby
Mary Brower, Hospital Retiree
Kathi McNally, Hospital Retiree
Bruce McNally, Hospital Retiree
Larry Marshall, City Retiree
Lari Miracle, Hospital Retiree
Twila Setla, Hospital Retiree
Linda Watson, City Retiree

Chairman Moore opened the meeting at 10:00 a.m.

PUBLIC COMMENT

Hospital Retiree, Kathi McNally stated that she represents the Hospital retirees who comprise approximately 40% of the City of Pontiac General Employees' Retirement System. These members contributed 5% of their wages from the time they were hired until the time the hospital was privatized in December 1993.

She stated that the Hospital retirees disagree with the plan to move overfunding from the GERS System to the City to pay healthcare costs for City and Police and Fire retirees. The plan overfunding is from the hospital and Hospital retirees are not City retirees.

She continued that the temporary increase of \$400.00 per month implemented by the Emergency Manager was not supposed to be in place of healthcare. However, the TAB's approval of the extension of the \$400 supplement on August 24, 2016 for a period of twelve months or until the healthcare issue is resolved definitely ties the \$400 to the healthcare issue.

They believe that the healthcare issue should be denied and the \$400 should be continued to all retirees – City and Hospital – to assist with healthcare or other expenses. They have attended a number of meetings and spoken about their concerns. They have also written a number of letters. They were advised by Judge Cohen, the Mayor and the City’s attorney that Hospital employees are not included as plaintiffs in the CPREA case. She indicated that she had spoken with Claudia Filler who told her that CPREA represents ~1300 employees. She noted that the 2015 valuation indicates that there are 1349 members and that ~480 of those are Hospital.

They requested a list of Hospital retirees through the FOIA process twice with the second request to include contact information; however, they received the names without the contact information. They have prepared a letter to the Hospital retirees that have been stuffed and stamped and are requesting assistance by having the Retirement Office mail them. They are sure that CPREA obtained all requested information when they planned their action against the City.

She read a legal opinion dated November 2005 when a previous Hospital CEO tried to take the money from the Retirement System to be used for hospital operations. The opinion stated that the Retirement System is a defined benefit plan and is distinct from the City and that all funds of the Retirement System shall be for the sole purpose of meeting disbursements for pension, annuities and other payments authorized by the Retirement System and no other purpose. The opinion includes a prohibition against reversion which states that none of the income or principal shall revert to or be returned to the City prior to the satisfaction of all liabilities to members and beneficiaries.

She also referred to an Attorney General opinion from 1990 which states that Public Act 28 authorized a municipal retirement system to use not more than 50% of the interest earned in any reserve funds for medical, hospital or nursing care.

It defines reserved funds as money contributed by the city, village or township (none of which have been paid by the City in quite a number of years).

It does not authorize a municipal retirement system to use funds for medical benefits. It states that benefits arising on account of service rendered in each fiscal year is to be funded during that year and funding shall not be used to finance unfunded accrued liabilities.

The opinion under MCL 38.571 & MSA 5.371 does not authorize a municipal retirement system to use any of the funds available under that act to establish a trust fund to pay for medical benefits for persons receiving benefits of the system. Please note any action taken or additional payments made should include the Hospital retirees and deferred members.

Retiree, Linda Watson told the Board she had a lovely time at the manager review meeting. She thanked the Board for the invitation.

She stated that CPREA did not obtain addresses from the Retirement Office. She stated that City employees are not the Hospital employees' enemy. She stated that the Hospital employees did not negotiate for healthcare. The System's assets belong to all the members.

Chairman Moore asked if Ms. McNally could forward a copy of the legal opinion she read to the Board. He also thanked the hospital retirees for their participation.

AGENDA CHANGES

Trustee Deirdre Waterman wanted the record to state that this Board still does not have an authorized accepted protocol to disclose a conflict of interest.

Trustee Nazarko requested that we strike from the record the resolutions ratifying past resolutions from the agenda section C. One reason is because they did not go through the sub-committees first. Another is that the Board has relied on all of the motions and votes that were taken timely and properly based on the advice of our legal counsel. He doesn't believe that just because the TAB made a certain statement in April regarding certain appointees that that should change the course of the action of the way that the Board has acted. He believes the Board acted appropriately and with the advice of counsel and taking these votes would take us into unchartered territory.

Trustee Nazarko clarified that he is making a motion to remove those ratifying resolutions from section C of the agenda.

Trustee Giddings seconded the motion.

He stated that the legal opinion provided by the System's legal counsel provided to City Council indicated that the appointments made by Council were legal and binding. Legal counsel told the Council they could make the appointments so their votes should be binding.

Trustee Patrice Waterman requested a point of clarification. She asked if Trustee Nazarko is requesting to strike the resolutions for the purpose of sending them to sub-committee.

Mr. Nazarko indicated that the Board has the prerogative to send them to sub-committee and that that would be proper. He does not believe that they need to go to sub-committee because we had legal opinions that the actions that were taken at that time were legitimately taken by legally appointed Board members and he stands by that.

Chairman Moore asked about the legal opinions.

Trustee Nazarko referred to written legal opinions provided to the Council at the time that they made the appointments of Mr. Harrison and Mr. Bowman that they had legally appointed those Trustees. The Board took those as valid appointments and now we are trying to un-do that, which he doesn't believe we should do.

Trustee Deirdre Waterman stated she understands the confusion. The confusion is that there is now conflicting opinion from the GERS Board attorney. In her position as the GERS Board counsel she did also serve the City Council by writing drafts of letters. She stated that Ms. Billings-Dunn has conceded to that in previous meetings that she did write these letters affirming that these were legitimately held positions.

Chairman Moore stated that the Board had given direction to the attorney and Executive Director to go over those resolutions and those resolutions were to be brought back to this Board for ratification.

Trustee Giddings asked if the ratifications are necessary since the most recent legal opinion was provided verbally. This goes against the City Charter. He gave the example that Trustee Williams continued to serve last year after his appointment expired until his replacement was appointed. Trustee Giddings stated that – according to the Charter – Trustees Moore and Gaffney were not properly elected because not all retirees and deferreds voted in the election. He suggested that the Board obtain a second legal opinion, possibly from another firm, since we have had mixed opinions from the current firm.

Ms. Billings-Dunn stated that her opinion has not been mixed. She indicated that her opinion originally was that Trustees Bowman and Harrison were appointed to continue in their position and Council stood behind those appointments as being valid appointments, not requiring the approval of the TAB. The TAB stated in their minutes that Trustee Bowman was not validly sitting on the Board prior to their approval on March 16, 2016. Subsequent to that, Council issued a resolution that was prepared by Mr. Clark's firm stating that the Council was in agreement that the TAB had to confirm all appointments. That changed Ms. Billings-Dunn's opinion. Her opinion then was that we needed to revisit the resolutions that were adopted based on not only the Chairmans' but also the votes of Messrs. Bowman and Mr. Harrison.

Trustee Nazarko felt it was important to note that it was not only the Council that agreed that the appointments were appropriate. This Board – almost unanimously – has agreed because it has allowed these gentlemen to serve and take part in this Board.

Trustee Giddings interrupted that we have incurred travel expenses for both Trustees.

Trustee Nazarko went on to say that he does not believe that the TAB is challenging the resolutions. He questioned who is challenging them that we need to re-ratify them.

Trustee Swazer noted that she attended the TAB meeting where they approved Trustee Bowman's appointment. She was also in attendance at the meeting where it was stated that his appointment was not retroactive. So, from the time that his previous appointment had expired, he was supposed to be off the Board and could not serve and all actions after that had to be revisited. Trustee Swazer continued that she asked Mr. Nazarko if he would please notify the retirement office. She said that Mr. Nazarko responded that he would not. She said that she spoke with the Chair of the TAB, Ed Koryzno, who indicated to her that the GERS Board would have to go through all of the resolutions

and that's what has been done. She believes that we should move ahead with the approval of the resolutions.

Chairman Moore indicated the GERS Board is not under the auspices of the TAB. The City Council has authority over the Board.

Trustee Deidre Waterman stated that the problem is that it is hard to move forward because the Board is being asked to rescind actions that were taken in good faith based upon the opinion of the GERS attorney. She stated that Ms. Billings-Dunn has to resolve the conflict of why there was one opinion at one time and now another opinion later. She believes that Ms. Billings-Dunn has to resolve the fact that she had a conflicting opinion.

Trustee Patrice Waterman moved to call the question.

Chairman Moore asked for Miss Munson to read the resolution.

Miss Munson noted the resolution as 'A motion to remove the ratifying resolutions under section C New Business.'

Ms. Billings-Dunn reviewed and read passages from Roberts' Rules to determine whether a motion to call the question must be seconded.

Trustee Swazer seconded the motion to call the question.

Chairman Moore asked whether there were any objections.

Trustee Deidre Waterman objected on the grounds that the questions that she and others have raised have not been answered. Specifically, questions about resolving the conflict of opinions that caused the Board to act in a certain way that brought these actions in the first place.

Ms. Billings-Dunn noted that we have a second and that that closes the debate.

RESOLUTION 16-127 By P. Waterman, Supported by Gaffney
Resolved, That the Board call the question/end the debate.

Roll Call:

Albritton – yes	Moore – yes
Arndt – no	Nazarko – no
Bowman – no	Swazer – yes
Gaffney – yes	D. Waterman – no
Giddings – no	P. Waterman – yes
	Williams – yes

Motion Passes: Yeas: 6 / Nays: 5

RESOLUTION 16-128 By Nazarko, Supported by Giddings
Resolved, That the Board remove the ratifying resolutions under item C Unfinished Business.

Roll Call:

Albritton – no	Moore – no
Arndt – yes	Nazarko – yes
Bowman – yes	Swazer – no
Gaffney – no	D. Waterman – yes
Giddings – yes	P. Waterman – no
	Williams - no

Motion Fails: Yeas: 5 / Nays: 6

APPROVAL OF CONSENT AGENDA

A. Approval of the Minutes of the Regular Board Meeting held July 27, 2016

B. Ratification of Retiree Payroll & Staff Payroll

Retiree Pay Date: August 31, 2016	
TOTAL PENSION PAYROLL	\$1,968,000.68

Staff Pay Dates August 4 & 18, 2016	
TOTAL STAFF PAYROLL	\$ 13,694.40

C. Communications:

1. FOIA Request from/to Zack Cziryak: August, 2016
2. FOIA Request from/to Brower: August, 2016
3. FOIA Request from/to Hasson: August 8, 2016
4. FOIA Request from/to Hasson: August 8, 2016
5. FOIA Request from/to Hasson: August 12, 2016
6. Request for Mailing Assistance Kathi McInally: August, 2016
7. FOIA Request from/to Robert Stanton: August, 2016
8. Correspondence from Kennedy Capital: Market Review Q2 2016
9. IFEBP CAPP: November 12-13, 2016 (Orlando, Florida)

D. Financial Reports:

1. Accounts Payables – August, 2016
2. Dahab Associates Flash Report July, 2016
3. Attucks Asset Management, Manager of Managers Report – July, 2016
4. Statement of Changes – July, 2016

E. Private Equity Capital Calls & Distributions

F. Applications for Retirement, Final Calculations, Refunds, Re-examinations

1. New Retirements

Ret No.	Member's Name	Years/Months of Service	Union	Age	Retirement Option	Monthly Benefit*	Effective Date
2794	Albritton, Gail	7 – 1	NOMC	60	Option V		10/01/2016
2793	Geck, Robert	10 – 1	Local 2002	60	Option II		10/01/2016
2792	Marion, Marlene	11 – 8	SAEA	60	Regular		10/01/2016

**All New Retirees are eligible for the temporary \$400.00 per month supplemental benefit until Sunset date of September 1, 2017*

Bold type entry indicates Reciprocal Service Credit with another eligible agency or municipality.

2. Terminated Retirements (Deaths)

Ret No.	Member's Name	Date of Death	Benefit Amount	Union or Dept.
648	Ballagh, Doris	04/19/2016		PMEA
700613	Myers, Joan	05/14/2016		Local 2002
1341	Reed, David	07/25/2016		SAEA

3. J&S Continued Retirements

Ret No.	Name	Date of Death	Survivor's Name	Member Benefit	Beneficiary Benefit	Union or Dept.

4. Recalculated Retirements

Ret No.	Name	Union	Effective Date	Reason For Change	Old Amount	New Amount
1198	Allan, Patricia	SAEA	11/05/2014	Pop-Up Benefit		
1291	Cornell, Loreta	NOMC	11/01/2009	Pop-Up Benefit		
1343	Davidson, Sidney	NOMC	10/05/2013	Pop-Up Benefit		
2181	Green, Elizabeth	NU	01/11/2014	Pop-Up Benefit		
1598	Jones, Evelyn	NOMC	02/06/2010	Pop-Up Benefit		
1409	Newcombe, MaryAnn	NOMC	04/21/2015	Pop-Up Benefit		
2791	Martinez, Michael	PPMA	08/01/2016	Final Calculation		
2790	Parsell, Sharlene	NOMC	06/01/2016	Final Calculation		
2789	Schmees, Thomas	2002	06/01/2016	Pop-Up Benefit		
2119	Schmidt, Judith	NOMC	02/19/2014	Pop-Up Benefit		
859	Troy, Louise	NOMC	03/15/2011	Pop-Up Benefit		

5. Disability Medical Re-Exams/Benefit Continuation

Ret No.	Name	Reason	Benefit Amount	Union or Dept.
1840	Daves, David	Re-Examination		2002

6. Refunds of Employee Contributions

Miss Munson referred to correspondence received from one of the investment managers that was included in the handouts. It is a part of the consent agenda but the manager has requested that the information be kept confidential.

She also asked that the Board approve her attendance at the Fall MAPERS Conference.

Trustee Patrice Waterman indicated that she has no problem with providing mailing assistance to Ms. McNally.

There was discussion regarding Ms. McNally's request for mailing assistance.

Chairman Moore stated that System resources cannot be utilized for political purposes.

Trustee Giddings questioned whether this has been done in the past.

Miss Munson indicated that the Retirement Office has assisted with mailings in the past for affiliated groups such as by mailing election materials when the Hospital ran Board Trustee elections and that there is no policy in place.

Trustee Deirdre Waterman indicated that the City could assist the Hospital retirees with the mailing.

Trustee Giddings indicated that the Board represents all retirees and questioned information provided by the former Executive Director to CPREA in the past. He stated that the member information was forwarded to the System's legal counsel, Linda Watson, Alec Gibb who is the CPREA legal counsel and Claudia Filler and it did not go through the FOIA process. He stated that he was not aware of any court order demanding the information.

Chairman Moore stated that CPREA did not receive any information to which they were not entitled.

Ms. Billings-Dunn stated that there was information that the mediator demanded that this Board provide and it may have been related to that.

Chairman Moore reiterated that one cannot use public funds for private purposes. He noted that – to his knowledge – any information that has been provided to CPREA has been done under a FOIA request. He asked that Trustee Giddings present any other information that he has to the Board.

Trustee Deirdre Waterman also requested that Trustee Giddings share the information that he is discussing.

Chairman Moore recommended that a legal opinion be prepared regarding the McNally request.

Trustee Nazarko asked that accounts payables be pulled from the consent agenda.

Miss Munson questioned whether Ms. McNally's request should be pulled from the consent agenda.

Chairman Moore answered 'no'.

Ms. Munson asked if Ms. Billings-Dunn knew if this was something that could be done.

Ms. Billings-Dunn responded that it is up to the discretion of the Board. She indicated that she hasn't researched the issue but that she is not aware of any legal issue.

Trustee Swazer stated that in the past mailing assistance was only allowed for Board business.

Chairman Moore indicated that he had received addresses for an election when he ran for a position on the Board. It was later determined that he should not have received those addresses. He stated that just because something happened in the past does not mean it should continue to happen.

Ms. Billings-Dunn noted that the Michigan Supreme Court changed the disclosure rules several years ago.

Chairman Moore suggested again that the Board get a formal legal opinion. The Trustees concurred in having the attorney write a legal opinion. Chairman Moore stated that it would be expedited.

RESOLUTION 16-129 By Gaffney, Supported by Swazer

Resolved, That the Board approves and ratifies actions described in the Consent Agenda for August 30, 2016 with corrections.

Yeas: 11 – Nays: 0

Accounts Payables – August, 2016

Trustee Nazarko asked about the \$5,000.00 final payment made to Gray & Company.

Miss Munson explained that this was the final invoice for that manager and that the finance sub-committee had requested that she contact the manager about the amount. The committee had requested that the manager reduce the fee due to the limited services received in June. The manager agreed and this is that final \$5,000 payment that was due for June.

Trustee Nazarko also questioned the quarterly payment to Attucks of ~\$139,000.00 and noted that they receive more compensation than the System's current investment consultant.

Miss Munson reminded the Trustees that Attucks oversees both manager-of-manager programs that have a combined total ~\$90M in AUM on which they earn 63 bps.

Trustee Deirdre Waterman noted that Attucks was brought in hurriedly and were not properly vetted. She reminded the Board of the unusual circumstances that warranted their hiring but she wanted to ensure that the vetting process would be completed.

Miss Munson noted that the Dahab is looking at the entire portfolio as part of the asset allocation review and assured her that this would be part of their review.

Trustee Giddings referenced a list of legal questions that were sent to the attorney in March. One question in particular related to bill rate for litigation services which is different from the rate used for general services. On October 1, 2015, (SWAP attorney) Matt Henzi had a 2.1 hour conversation with the Executive Director regarding the Onyx matter which was billed at \$250.00 per hour or \$525 total for her to get information that she could have gotten from staff or Board members. The question was posed to counsel in March and the response that was received was that the litigation was over and we should be billed at the regular rate and that the coding in counsel's billing system should be changed to indicate that the litigation is over. He continued that the System has received invoices as recently as a couple of months ago that still reflect the higher litigation rate. He indicated that we have not received any credits. He referenced the litigation rate being used for counsel to do follow up in the Robinson restitution matter.

Ms. Billings-Dunn clarified that the litigation was over for all intents and purposes. However, another issue came up with one of the other defendants in this matter, Michael Farr. There was work that her firm had to do with respect to filing the System's claim in his bankruptcy case. She indicated that her partners have written off much of the time they have spent in this matter. She believes the System won a phenomenal judgement in this matter because it now has a non-dischargeable judgement against Mr. Dixon. He will never be able to escape the debt he owes the System. Unfortunately, the System did not get the same result in Mr. Farr's case because he could not be directly linked to the fraud. The System would receive a portion of any assets the bankruptcy court distributes from his estate along with other creditors.

Mr. Giddings sought further clarification of why a conversation about the litigation with the Executive Director should be billed at the litigation rate.

Chairman Moore recommended that Trustee Giddings bring this issue to the finance sub-committee.

Trustee Deirdre Waterman asked how much of the Onyx legal fees had been recovered through the Board's insurance.

Ms. Billings-Dunn indicated that she would report how much of the System's legal fees were recovered through insurance.

RESOLUTION 16-130 By Nazarko, Supported by Gaffney
Resolved, that the Board approve the August, 2016 accounts payables.

Yeas: 11 – Nays: 0

CONSULTANT

Re: Dahab Associates

Mr. Lee reported that as of August 30, 2016 the preliminary market value was \$471.2 million. There was little change in assets from July to August. Most assets went up and pensions were paid. There has been a persistent over-allocation to stocks versus fixed income which should have an allocation of 25%.

Mr. Lee indicated that he is recommending that the Board rebalance the portfolio by taking \$10 million each from Victory Capital mid-cap and Systematic mid-cap which are both over-weighted. The \$20 million will be allocated with \$10 million to core fixed income manager Victory Capital and \$10 million to intermediate fixed income manager Robinson Capital. This rebalancing will help to move the portfolio's asset allocation more in line with the target.

RESOLUTION 16-131 By Nazarko, Supported by P. Waterman

Resolved, That the Board approve the Investment Consultant's recommendation to rebalance the portfolio by taking \$10 million from mid-cap manager Victory Capital and \$10 million from mid-cap manager Systematic and reallocating \$10 million to core fixed income manager Victory Capital and \$10 million to intermediate fixed income manager Robinson Capital.

Yeas: 11 – Nays: 0

Mr. Lee also stated that the current cash balance is \$3.98 million. They are recommending that the Board rebalance the portfolio by adding more assets into the cash account to pay for benefits. There is currently an over-allocation to large cap. Since Lombardia Capital is closing down their large cap product they suggest liquidating the \$8 million allocation to Lombardia Capital and moving it to the cash account to pay for future expense allocations.

Trustee Nazarko questioned keeping so much money in the cash accounts. He asked if there is a way to put those assets into a short-term investment.

Miss Munson indicated that the retiree payroll is approximately \$2 million per month and that the November pension benefit payment includes COLA which will total \$4 million.

Mr. Lee noted that the System's cash is in a sweep vehicle that is earning interest – not cash. Based on the size of the System's portfolio having three to four months of expenses in the cash account is reasonable.

Mr. Lee offered to present enhanced cash investment options for the Board at the next monthly meeting.

RESOLUTION 16-132 By Nazarko, Supported by P. Waterman

Resolved, That the Board approve the Investment Consultant's recommendation to rebalance the portfolio by liquidating the assets currently allocated to Lombardia Capital and moving the cash to the cash account to pay for future expense obligations.

Yeas: 11 – Nays: 0

Mr. Lee indicated that they are currently in the process of a real estate search. He would also like to start the process for a large cap manager search. There are currently nine large cap managers which includes the eight large cap managers in the Attucks manager-of-managers portfolio.

Mr. Lee stated that they would like to look at all the large cap managers on an equal footing and all of our current managers will be encouraged to participate. They have not made any determination of which managers will remain or not. But, they would like to do a comparison to other managers in the space.

Trustee Nazarko confirmed that the RFP will be in compliance with the System's Investment Policy Statement.

Chairman Moore asked the consultant to submit the RFP to the finance sub-committee.

Mr. Lee reminded the Trustees all of the RFP's clearly outline that they encourage emerging and minority managers to respond.

Mr. Moore stated that it was important to keep the directed brokerage policy in mind.

Miss Munson reminded that Trustees of why the directed brokerage program was temporarily suspended and that the Trustees consented to waiting to revisit the directed brokerage program as a part of the broader review of the IPS that is taking place as a result of the asset allocation review.

RESOLUTION 16-133 By Nazarko, Supported by D. Waterman

Resolved, That the Board approve the Investment Consultant's recommendation to issue a Request for Proposals for Large Cap Managers.

Yeas: 11 – Nays: 0

Ms. Bower, Ms. McNally, Mr. McNally, Ms. Miracle and Ms. Setla left at 10:50 a.m.

Trustee Education – Asset Allocation Model

Mr. Lee told the Board that they wanted to provide a brief educational overview of the asset allocation model to familiarize the Trustees and on how Dahab formats the information.

He explained that 90% of the variability of returns can be attributed to the asset allocation. The assumption is that more risk creates more returns and less risk equates to less returns.

There are various ways to balance the return/risk reward. First you need to consider the duration of the fund while thinking about risk. This Board is an institutional investor and as such should look at longer duration investments. There are enough assets in the Fund to minimize the volatility with longer duration investments. However, these types of investments are usually in the form of a real asset or private equity and it can be more costly to go into these types of longer duration investments. There are some specific requirements with regard to alternate types of investments and some Boards could have aversion to risk.

They have proprietary software that allows them to provide customized asset allocation studies to meet their client's needs. The software provides a mathematical model of the System's liability stream and simulates returns based on various asset combinations and what returns may be achieved over time. The model uses historical data to project future returns.

The model utilizes a Monte Carlo simulation to make logic from the illogic using a random number generator to provide a probability bell curve or to look at returns further out which is more inclusive. The purpose of the asset allocation model is to make an educated determination.

He explained the allocation simulation and how the computer hypothesizes the various asset class earnings for a specific year. They start out by using the actuarial rate of return. The returns of other asset classes are calculated based on their betas, alphas and correlations with these market classes. The portfolio is adjusted for returns on each asset class including any annual contributions and is rebalanced to the target allocations.

The simulation looks at various periods in history including twenty years, a special twenty year period and seventy years. The periods are calculated based on performance, stress points, lower bond returns and cash equivalents. It displays the various asset classes and their correlations over these periods.

He explained how highly correlated asset classes move in sync while less correlated asset classes move at various intervals. It is better to pick asset classes that move at various intervals to provide downside risk that also provide moderate returns with less risk.

He provided an example of allocation ranges for the various asset classes and how portfolio performance can be tweaked by selecting a particular asset class, index and range. The depth of range can be managed for investments in real estate, timber, hedge funds and private equity.

The graph tutorial displayed how stocks and bonds may perform from 2016 through 2036 using a 60% equity/40% fixed income mix assuming assumptions remained constant.

Mr. Lee stated that the graph showed that the likelihood is that the System would meet its actuarial assumption 50% of the time and the terminal value would be \$1,059 million.

Trustee Deirdre Waterman asked if the graph used the current actuarial assumptions and mortality tables.

Mr. Lee indicated that they used the most recent actuarial assumptions.

Miss Munson stated that the chart assumes that the System would achieve the 7.5% assumed rate every year.

Mr. Lee reviewed two example portfolios Mix A and Mix B. Mix A is a high return portfolio versus Mix B which is a low return portfolio. Mix A had a higher probability of earning the actuarial assumption versus Mix B. Mix A beat the actuarial assumption 56% of the time with a terminal value of \$1,191 million versus Mix B had lower risk and beat the actuarial assumption 37% of the time with a terminal value of \$912.9 million.

Trustee Bowman asked if the Fund should stay away from bonds to reduce risk.

Mr. Lee indicated that by taking risk off the table you can achieve similar returns with less risk in your asset allocation.

The model results are probabilistic and are expressed in terms of 75% chance of having this amount or more.

He told the Board the biggest determination by the Board is which asset classes to go into. Fixed income is the most stable of the portfolio.

Trustee Giddings asked Mr. Lee what his opinion is of his first manager review meeting.

Mr. Lee felt that the managers were well represented and did well. He felt that the format could be tweaked to allow managers more than fifteen minutes for their presentations. Twenty minutes would be more reasonable.

He also suggested that the format be changed to allow for additional breaks and that the day could be lengthened. The additional breaks would help better everyone's focus. He would also provide prearranged questions for the managers for the open forum market overview. He would also recommend shortening the roundtable session. He did like the Board and manager participation.

Trustee Arndt, Mr. Lee and Mr. Roth left at 11:48 a.m.

COMMITTEE REPORTS

Re: Chairman

Re: Trustee/Committees

Personnel Sub-Committee

Trustee Gaffney reported that the committee met and continued to discuss the administration of the System. They will continue to work on this issue. The committee also discussed the change in the healthcare for Mr. Arndt's spouse that is included in the agenda.

Finance Sub-Committee

No Report

EXECUTIVE DIRECTOR

Miss Munson reported that the annual meeting has been rescheduled to October 25, 2016.

The annual Fee and Political Contribution forms have all been received.

Miss Munson provided a review of the most recent asset transition report. The System sold assets with a cost basis of ~\$487,000 for \$436,000. There are two remaining securities in the Peritus portfolio.

The notice regarding the extension of the \$400.00 temporary increase was mailed to the retirees on July 28, 2016.

The Summary Annual Report and the Active member statements were mailed to the members on August 12, 2016.

The Annual Meeting Save-the-Date postcards were mailed to the members on August 26, 2016.

Miss Munson referred the Trustees to the memo in the agenda package regarding the status of the annual disability income verification and disability re-exam process. She asked if the Board had any questions.

Miss Munson referred the Trustees to the memo in the agenda package regarding insurable interest and reviewed the policy resolution that is included.

Mr. Nazarko indicated that he would like to discuss the insurable interest policy resolution and the ordinance language clean-up agenda items.

Miss Munson reported that the second legal opinion was received confirming the original legal opinion regarding insurable interest. She spoke with the finance sub-committee regarding members who nominate a non-spouse beneficiary. She has included an insurable interest policy for the Board's review which includes non-family beneficiary language.

Trustee Nazarko indicated that he still has questions regarding the Ordinance language with regard to insurable interest and the Zimmermann beneficiary issue.

Chairman Moore agreed to move expeditiously to those agenda items.

Miss Munson reported that there are commercial member data software providers available. She will continue to research this matter.

She has preliminary discussions with Plante & Moran regarding AUP or COLA review. She explained that the process is self-defined by the System and she has some recommendations that should make the process a little more robust. She will provide a write-up to the Board. She expects to have the engagement letter next month.

The proposals for actuarial services are due September 23, 2016 and the process will continue through the finance sub-committee.

UNFINISHED BUSINESS

Re: Ordinance Language Clean-Up Recommendation

Mr. Nazarko wanted to discuss the Ordinance reference to the Finance Director's role in overseeing the Retirement System Administrator.

Miss Munson explained that the work that she and Ms. Billings-Dunn are doing is only with respect to cleaning up grammatical and other clerical errors in the Ordinance. They are not proposing any changes to the Ordinance.

Re: Insurable Interest (New Business)

Trustee Nazarko stated that everyone has their own thoughts regarding insurable interest and that the Board has an Ordinance by which it must abide. He hopes that this policy will clarify the issue. The employer and the Board need to keep their promise regarding the pension benefit to the members. However, there have been some applications that fall into a gray area. He does not recall that the policy in the agenda was forwarded to the finance sub-committee prior to coming to the Board.

Miss Munson noted that this issue has been discussed on several occasions in the finance sub-committee meeting.

Trustee Nazarko asked if a member can designate a former spouse and if that person would have an insurable interest.

Ms. Billings-Dunn stated that in the private sector the current spouse would have to give their permission for the member to designate their former spouse but that that is not true for the System.

There was discussion about the designation of a beneficiary and who is eligible to be nominated. Under the definition of insurable interest the language was changed for number (1) from "the

spouse or former spouse of a member” to “the spouse or former spouse of a member pursuant to a DRO” based on Ms. Billings-Dunn comments.

Chairman Moore explained that the Board cannot deny the nomination of a spouse, a child or a sibling and the resolution is written to reflect that.

Trustee Nazarko also asked if marriage certificates, birth certificates and other legal documents are required at the time the member makes their application for retirement.

Miss Munson indicated that a checklist is used when the member comes in to apply for their pension benefit. Supporting documents will be added to the checklist.

The question of insurable interest was discussed noting that insurable interest indicates that a member can designate their mother, father, sister, brother or child as their beneficiary. They can also nominate a non-family member if they have a pecuniary or contractual interest or by blood or affinity. The Board must make the determination in the latter case.

There was discussion regarding the policy and language changes to the policy.

Trustee Nazarko believes that number (4) under insurable interest is vague and should not be included.

Miss Munson explained that number (4) is intentionally vague. She reiterated that we are only certain about insurable interest for beneficiaries described in numbers (1), (2) and (3). All others require the Board to make a determination. She referred the Trustees to the Affidavit on the next page. A member must submit the Affidavit and any supporting documentation to the Board describing the basis for insurable interest. The Board will then make a determination of whether the documentation is sufficient to establish insurable interest.

Mr. Nazarko stated that he believes that only a spouse, child or sibling should be able to be nominated as a beneficiary.

Ms. Billings-Dunn reiterated that someone outside of the nuclear family may have an insurable interest and to automatically exclude them as Mr. Nazarko is suggesting would go against the Ordinance.

Mr. Nazarko discussed the age at which a beneficiary would no longer be a dependent upon the member legally.

Miss Munson indicated that the System has historically let a member designate whomever they chose as their beneficiary because the member has earned a certain benefit amount and the member takes a reduced pension benefit amount to provide a benefit for their beneficiary.

Trustee Arndt corrected the statement that no documentation is required of beneficiaries. She used the example of the death certificate which lists the deceased's spouse.

RESOLUTION 16-134 By Nazarko, Supported by Gaffney

WHEREAS, the Board of Trustees is vested with the general administration, management and responsibility for the proper operation of the Retirement System, and for interpreting and making effective the provisions of the Retirement System, and

WHEREAS, the Ordinance provides that retiring members may elect to receive an actuarially reduced optional form of payment and nominate a beneficiary and that active members may file an Option II election form and nominate a beneficiary, and

WHEREAS, the Ordinance provides that such nominated beneficiaries have an "insurable interest" in the life of the member, and

WHEREAS, the Board of Trustees is of the opinion that it is in the best interest of the plan's participants and beneficiaries to provide clarification with respect to the term "insurable interest", and

WHEREAS, the Board of Trustees has discussed this matter with its legal counsel, therefore be it

RESOLVED, that the Board of Trustees hereby recognizes that the definition of "insurable interest," as contained within the Retirement System Ordinance shall include:

- 1) the spouse or former spouse of a member pursuant to a DRO;
- 2) the natural or adopted child or children of a member;
- 3) a brother, sister, father, or mother of a member; or
- 4) other persons determined by the Board of Trustees. Such determination shall be based upon reasonable grounds, founded upon the relations of the parties, either pecuniary or contractual or by blood or affinity. The member shall be required to submit an Affidavit providing evidence to demonstrate the insurable interest of the beneficiary in the life of the member. All determinations by the Board are final.

FURTHER RESOLVED, that a copy of this resolution shall be forwarded to all appropriate parties.

Yeas: 11 – Nays: 0

Re: Second Opinion – Zimmermann Matter

Miss Munson indicated that the member passed away while in service. At that time, the Retirement Office determined that the member's beneficiary was not eligible for an Option II benefit because the member did not complete the Option II form prior to her death. The attorney indicated that the beneficiary was eligible for a benefit because the member had nominated the beneficiary on a different form. The finance sub-committee reviewed this more than once and a second opinion was obtained. The opinions are consistent: the beneficiary does have insurable interest in the life of the member and the beneficiary is eligible based on the form that was completed.

She indicated that the benefit is payable to the beneficiary retroactive to January 2014.

Trustee Deirdre Waterman felt that the Board still needs to act on this agenda item.

RESOLUTION 16-135 By Bowman, Supported by Gaffney

Resolved, That the Board receive and file the VanOverbeke, Michaud & Timmony second opinion in the Zimmermann matter.

Yeas: 11 – Nays: 0

Re: Ratification of Resolutions 2014 – 2016 (See Memo Attached)

Chairman Moore stated that he thought the ratification of prior resolutions could be handled as a bloc but also questioned whether they should be dealt with individually.

Ms. Billings-Dunn explained why they could be dealt with as a block of resolutions. She went on to explain why she is recommending that the resolution numbers not be changed.

Miss Munson explained that the resolutions being ratified are in the agenda package.

Trustee Giddings confirmed that the Board is essentially re-voting.

Ms. Billings-Dunn stated that the Board is ratifying the actions.

Trustee Giddings raised the issue of a Trustee having voting one way on the original resolution and now voting a different way on the ratification of the resolution. He asked if that is a proper method under Robert's Rules to change your vote and if there is a specific procedure for doing that.

Trustee Giddings went on that the Board is going through this process because there is a legal opinion that two Trustees were not properly seated at the time and that by voting for this resolves the issue of the votes. He questioned whether this is an admission by the people voting for this that they agree with the process of doing this.

Ms. Billings-Dunn responded that the Trustees could make clear in the resolution that they are just ratifying the action that was taken and not giving an opinion on taking the action.

Trustee Giddings continued that by going through this process the Board is saying that they didn't serve. He questioned how the Board could ratify Charlie Harrison's signature if he was not on the Board.

Ms. Billings-Dunn clarified that her opinion is that the Board is ratifying that Charlie Harrison signed the documents.

Trustee Giddings stated that the Charter says that Trustees serve until they are replaced. Trustee Bowman was never replaced. The legal opinion that the Board received - and by which the Board operated for two years - was that people served until they were replaced. He went on that the TAB approved the resolution from the City Council which is a four year appointment.

Trustee Deirdre Waterman referenced the Ordinance section that indicates a vacancy on the Board shall be filled within 90 days of a vacancy and indicated that the resolutions in question should be those subsequent to that 90 day period. She stated that the TAB did not refute the Ordinance.

Ms. Billings-Dunn and Miss Munson confirmed the Trustees understanding by reading passages from the Ordinance. Ms. Billings-Dunn read the passage confirming that a vacancy shall be filled within 90 days after the date of the vacancy and Miss Munson read the passage confirming that a Trustee serves until a successor is elected or appointed and qualified.

Ms. Billings-Dunn continued from the Ordinance that a vacancy occurs if a Trustee is no longer eligible for nomination for the position being held. She indicated that the situation that we have is that Council backed off of their recommendation.

There was additional discussion about the Council and the TAB's approval.

Chairman Moore reminded the Board that the TAB took the position that the Trustees were not eligible to serve. He went on that the TAB's approval was not retroactive. He stated that we are ratifying these resolutions because of concerns that the Trustees had that someone could come back and contest them.

Trustee Nazarko explained why he was trying to strike the resolutions from the agenda. He does not feel there is an issue with the resolutions and they should not be ratified. The Board at the time agreed that Charlie Harrison was a Trustee and the Chairman and that Kone Bowman was the Vice-Chair and that by taking this action it could cause other issues. The Board should stand by these resolutions.

Ms. Billings-Dunn stated that the only problem that she has with what he is saying is that for some of the meetings we did not have a quorum because those Trustees were not properly seated.

Trustee Nazarko indicated that what the attorney is saying supports his point. He used the example of cases where the resolution involved the transfer of money. He believes that if we do not stand by the resolutions as they are it could call into question those transfers and like issues.

There was lengthy discussion questioning whether anyone has contested the votes and if the Trustees were duly appointed members of the Board during that period.

Trustee Deirdre Waterman expressed her concern that proper notice and disclosure should be sent to Northern Trust regarding any movements of money.

Trustee Bowman stated that it is his opinion that he and Charlie Harrison were properly seated based on the Ordinance. There have been many times when a seat has not been filled but the former Trustee continued to vote. From his perspective the Board should move forward with the vote.

Ms. Billings-Dunn wanted to allay Trustee Deirdre Waterman's concern by stating that the Board can ratify actions that were taken in the absence of a quorum. She stated that that is perfectly acceptable under Robert's Rules. She believes that the most conservative approach is to ratify the actions that were taken and move on.

Trustee Nazarko left at 12:20 p.m.

Miss Munson confirmed with Ms. Billings-Dunn that the Trustees do not have to vote on the ratifications the same way they voted on the original resolution.

Trustee Giddings referenced the Ordinance section that describes the composition of the Board members, specifically the two member Trustees. He stated that the Hospital retirees were not allowed to run or vote in that election. Trustee Giddings stated that he wanted this on the record because the Board is voting on these resolutions and now we may have to look at two more votes.

Trustee Arndt questioned whether the Mayor's concern regarding notice and disclosure to Northern Trust was relevant.

Ms. Billings-Dunn indicated she does not believe that Board has to do that. If someone asks the Board can show where the action was ratified.

Trustee Deirdre Waterman stated that she believes that it is proper and above board to notify people if we have changed a major undertaking. And she doesn't want to be on the side of not disclosing that. She indicated that if it is the Board's intention not to notify then she will abstain from the votes.

Ms. Billings-Dunn wanted to make clear that she has no problem with notifying and that the Board could go either way.

RESOLUTION 16-136 By P. Waterman, Supported by Albritton
Resolved, That the Board call the question/end the debate.

Roll Call:

General Employees Retirement System
Regular Meeting
August 31, 2016

Albritton – yes
Arndt – yes
Bowman – yes
Gaffney – yes
Giddings – yes

Moore – yes
Swazer – yes
D. Waterman - yes
P. Waterman – yes
Williams – yes

Motion Passes: Yeas: 10/ Nays: 0

RESOLUTION 16-137 By Swazer, Supported by Albritton

Resolved, That the Board hereby ratifies former Chairman Charlie Harrison’s signature on the documents identified in the resolutions listed in the attached document.

Roll Call:

Albritton – yes
Arndt – no
Bowman – no
Gaffney – yes
Giddings – no

Moore – yes
Swazer – yes
D. Waterman - no
P. Waterman – abstain
Williams – yes

Motion Passes: Yeas: 5 / Nays: 4
Abstain: Trustee Deidre Waterman

RESOLUTION 16-138 By Swazer, Supported by Gaffney

Resolved, That the Board hereby ratifies former Chairman Robert Giddings’s signature on the documents identified in the resolutions listed in the attached document.

Roll Call:

Albritton – yes
Arndt – abstain
Bowman – no
Gaffney – yes
Giddings – no

Moore – yes
Swazer – yes
D. Waterman - abstain
P. Waterman – yes
Williams – yes

Motion Passes: Yeas: 6 / Nays: 2
Abstain: Trustee Deidre Waterman and Trustee Arndt

RESOLUTION 16-139 By Swazer, Supported by Gaffney

Resolved, That the Board hereby ratifies the resolutions listed in the attached document as originally numbered whose passage was dependent upon Trustee Koné Bowman and/or former Chairman Charlie Harrison.

Roll Call:

Albritton – yes
Arndt – yes

Moore – yes
Swazer – yes

Bowman – no
Gaffney – yes
Giddings – no

D. Waterman - abstain
P. Waterman – yes
Williams – yes

Motion Passes: Yeas: 7 / Nays: 2
Abstain: Trustee D. Waterman

RESOLUTION 16-140 By Swazer, Supported by Gaffney

Resolved, That the Board hereby amends the vote tally recorded in the minutes for the four resolutions identified in the attached document.

Roll Call:

Albritton – yes
Arndt – yes
Bowman – yes
Gaffney – yes
Giddings – yes

Moore – yes
Swazer – yes
D. Waterman - abstain
P. Waterman – yes
Williams – yes

Motion Passes: Yeas: 9 / Nays: 0
Abstain: Trustee D. Waterman

RESOLUTION 16-141 By Gaffney, Supported by Swazer

Resolved, That the Board hereby amends the adopted July 29, 2015 meeting minutes to include the following resolution which passed by a vote of 10 – 0.

“Resolved, that the Board moves to place First Eagle Investment Management, LLC on watch for two quarters due to the July 20, 2015 firm announcement of proposed ownership changes, this is in accordance with GERS Investment Policy Statement.

Roll Call:

Albritton – yes
Arndt – yes
Bowman – no
Gaffney – yes
Giddings – yes

Moore – yes
Swazer – yes
D. Waterman - yes
P. Waterman – yes
Williams – yes

Motion Passes: Yeas: 9 / Nays: 1

RESOLUTION 16-142 By Swazer, Supported by Albritton

Resolved, That the Board hereby ratifies Charlie Harrison’s and Koné Bowman’s signature authority at Northern Trust to the extent it was given through Resolution #14-001 and as subsequent “approvers” for all disbursements made in 2014 through 2016.

Roll Call:

General Employees Retirement System
Regular Meeting
August 31, 2016

Albritton – yes
Arndt – no
Bowman – no
Gaffney – yes
Giddings – no

Moore – yes
Swazer – yes
D. Waterman - abstain
P. Waterman – yes
Williams – yes

Motion Passes: Yeas: 6 / Nays: 3
Abstain: Trustee D. Waterman

RESOLUTION 16-143 By Swazer, Supported by Arndt

Resolved, That the Board hereby ratifies former Executive Director Cecelia Carter’s signature on the Northern Trust Plaintiff Declaration for Class Certification as approved in Resolution #15-055.

Roll Call:

Albritton – yes
Arndt – abstain
Bowman – no
Gaffney – yes
Giddings – no

Moore – yes
Swazer – yes
D. Waterman - yes
P. Waterman – yes
Williams – yes

Motion Passes: Yeas: 7 / Nays: 2
Abstain: Trustee Trustee Jane Arndt

RESOLUTION 16-144 By Swazer, Supported by Albritton

Resolved, That the Board hereby ratifies resolution #16-020 appointing Deborah Munson as Interim Executive Director.

Roll Call:

Albritton – yes
Arndt – abstain
Bowman – no
Gaffney – yes
Giddings – yes

Moore – yes
Swazer – yes
D. Waterman - yes
P. Waterman – yes
Williams – yes

Motion Passes: Yeas: 8 / Nays: 1
Abstain: Trustee Arndt

NEW BUSINESS

Re: Resolution to Amend RFP for Actuarial Services

General Employees Retirement System
Regular Meeting
August 31, 2016

Miss Munson reminded the Trustees that the original resolution to issue the RFP included a stipulation that any changes to the terms of the RFP would require Board approval. She polled the Trustees of whether they would be agreeable to removing the requirement that responding firms have Michigan public plans. The consensus was that we would remove that requirement.

RESOLUTION 16-145 By Gaffney Supported by Swazer

Resolved, That the Board approves to issue an addendum to the RFP for Actuarial Services to remove the requirement that firms must have Michigan Public Act pension retirement systems experience.

Yeas: 10 – Nays: 0

Re: Resolution to Approve Medicare Supplemental Insurance for Arndt Spouse

Miss Munson indicated that Trustee Arndt's spouse will be eligible for Medicare in September, 2016. She noted that the supplemental will be purchased through another insurance carrier because United Healthcare would charge the same rate for the supplemental insurance that is currently being charged. The new insurance will save the System approximately \$700.00 per month.

RESOLUTION 16-146 By Gaffney, Supported by P. Waterman

Resolved, That the Board approves the replacement of the current insurance provided to the spouse of Jane Arndt with a Medicare Supplemental plan provided through Mutual of Omaha and Humana.

Yeas: 9 – Nays: 0
Abstain: Trustee Arndt

Re: Request from Nyhart Re: Contract Extension

Miss Munson reported that Nyhart has submitted a request to the Board requesting that it consider extending their contract and not proceeding with the Actuarial Services RFP. Miss Munson suggested that the Trustees could also consider not requiring Nyhart to submit a full proposal. The Trustees could accept Nyhart's 2015 proposal and just require Nyhart to submit a supplement to address the matters included in the 2016 RFP that were not included in the 2015 RFP.

The Trustees discussed the alternatives.

RESOLUTION 16-147 By Gaffney, Supported by Williams

Resolved, That the Board approves to accept for consideration in the 2016 Actuarial Services RFP process Nyhart's 2015 proposal along with a supplement to address only those matters and questions included in the 2016 RFP that were not included in the 2015 RFP.

Yeas: 10 – Nays: 0

Re: Legal Report

Garland Domestic Relations Order

Ms. Billings-Dunn reported that she spoke with Mr. Garland’s attorney and he advised her that Mr. Garland is still in Federal prison and that the System is to continue to abide by the Power of Attorney. Once Mr. Garland is released from prison he will issue a revocation of the POA. For now, his former spouse will receive both checks. She is currently paying Mr. Garland’s expenses.

Linda Hasson FOIA Request

Ms. Billings-Dunn reported this is for the Trustees’ information.

Portfolio Monitoring Reports

- Bernstein Litowitz 2nd Quarter 2016 Report
- Motley Rice 2nd Quarter 2016 Report
- Robbins Geller July 29, 2016 Report

Ms. Billings-Dunn reported this is for the Trustees’ information

Robbins Geller On The Record

Ms. Billings-Dunn reported this is for the Trustees’ information

Ms. Billings-Dunn indicated that the System was appointed lead plaintiff in the Ruckus Wireless litigation.

Trustee Giddings asked a question regarding the closed session minutes. It was determined that the minutes would not be approved at this meeting.

SCHEDULING OF NEXT MEETING

Regular Meeting: Wednesday, September 28, 2016 @ 10:00 a.m. – Retirement Office

RESOLUTION 16-148 By Swazer, Supported by P. Waterman

Resolved, That the meeting of the Board of Trustees of the Pontiac General Employees’ System be adjourned at 1: 07 p.m.

Yeas: 10 – Nays: 0

I certify that the foregoing are the true and correct minutes of the meeting of the General Employees Retirement System held on August 31, 2016

As recorded by Jane Arndt

**RESOLVED, THAT THE BOARD HEREBY RATIFIES FORMER
CHAIRMAN CHARLIE HARRISON'S SIGNATURE ON THE
DOCUMENTS IDENTIFIED IN THE RESOLUTIONS LISTED BELOW:**

RESOLUTION 014-041 By Moore, Supported by P. Waterman

Resolved, That the Board ratify the Chairman's signature on the Healthways, Inc. and MGM Books and Records request.

Yeas: 9 – Nays: 0

RESOLUTION 14-050 By Barnett, Supported by Moore

Resolved, That the Board ratify the Chairman's signature on the Section 203 of the Bipartisan Budget Act of 2013 Compliance Certification submitted by the Berwyn Group.

Yeas: 11 – Nays: 0

RESOLUTION 014-053 By Gaffney, Supported by Nazarko

Resolved, That the Board ratify the Chairman's signature on the Dell retainer letter and certification agreement.

Yeas: 10 – Nays: 0

RESOLUTION 14-0070 By Moore, Supported by Gaffney

Resolved, that the Board ratify Chairman Harrison's signature on the Certificate of Bonds Proceed for U.S. State and Local Governments and Municipal Bond Obligors Form as manually amended.

Yeas: 6 – Nays: 0

RESOLUTION 14-073 By Gaffney, Supported by Arndt

Resolved, that the Board ratify the Chairman's signature on the HealthWays securities litigation agreement.

Yeas: 7 – Nays: 0

RESOLUTION 14-082 By Bowman, Supported by Waterman

Resolved, that the Board ratify the Chairman's signature on the Federal Express securities litigation agreement.

Yeas: 9 – Nays: 0

RESOLUTION 14-083 By Gaffney, Supported by Bowman

Resolved, That the Board ratify the Chairman's signature and approve to file for lead plaintiff status in the L3 Communications securities litigation.

Yeas: 9 – Nays: 0

RESOLUTION 14-089 By Gaffney, Supported by Barnett
Resolved, That the Board authorize the Chairman's signature on the Kennedy Capital Small Cap Growth IPO and Client Relationship Forms.

Yeas: 9 – Nays: 0

RESOLUTION 14-100 By Moore, Supported by Bowman
Resolved, That the Board approve the Chairman's signature on the Consent to Assignment in the Seizert Capital Investment Management Agreement.

Yeas: 11 – Nays: 0

RESOLUTION 14-101 By Bowman, Supported by Gaffney
Resolved, That the Board ratify the Chairman's signature on the revised fee schedule reducing the management fees from 150 basis points to 100 basis points. The Board also directed legal counsel to contact Peritus indicating that the language in the fee schedule will not change.

Yeas: 11 – Nays: 0

RESOLUTION 14-105 By Williams, Supported by Gaffney
Resolved, That the Board ratify the Chairman's signature on the Affidavit and Verification in support of the verified class action complaint against MGM Resorts International.

Yeas: 9 – Nays: 0

RESOLUTION 14-106 By Moore, Supported by Barnett
Resolved, That the Board ratify the Chairman's signature on the Retainer Letter, Certification and Joint Declaration in the L3 Communications securities litigation.

Yeas: 9 – Nays: 0

RESOLUTION 14-107 By Barnett, Supported by Gaffney
Resolved, That the Board ratify the Chairman's signature on the Retainer Letter, Certification and Joint Declaration in the Genworth Financial, Inc. securities litigation matter.

Yeas: 9 – Nays: 0

RESOLUTION 14-108 By Giddings, Supported by Williams
Resolved, That the Board ratify the Chairman's signature on the Declaration, Special Power of Attorney and Books and Records request in the Qualcomm, Inc. securities litigation matter.

Yeas: 9 – Nays: 0

RESOLUTION 14-110 By Williams, Supported by Waterman

Resolved, That the Board ratify the Chairman's signature on the Retainer Letter and Certification in the Liquidity Services, Inc. securities litigation matter.

Yeas: 9 – Nays: 0

RESOLUTION 14-111 By Waterman, Supported by Arndt

Resolved, That the Board ratify the Chairman's signature on the Retainer Letter and Declaration in the GT Advanced securities litigation matter.

Yeas: 9 – Nays: 0

RESOLUTION 14-125 By Gaffney, Supported by Moore

Resolved, That the Board approve to file for lead plaintiff status and ratify the Chairman's signature on the Certification and Retainer Letter in the Hangar Securities Litigation.

Yeas: 8 – Nays: 0

RESOLUTION 15-012 By Gaffney, Supported by Moore

Resolved, that the Board ratify the Chairman's signature on the retainer letters and verifications in the Affiliated Manager Group and SYNEX Corporation "Dead Hand Proxy Put" shareholder litigation matters.

Yeas: 9 – Nays: 0

RESOLUTION 15-014 By Gaffney, Supported by Moore

Resolved, that the Board authorize the Chairman to sign the Retainer Agreement for Bernstein Litowitz and Sullivan, Ward, Asher & Patton in the Northern Trust Securities Lending legal action.

Yeas: 9 – Nays: 0

RESOLUTION 15-020 By Moore, Supported by Gaffney

Resolved, that the Board ratify the Chairman's signature to apply for lead plaintiff status in the Movado Group securities litigation.

Yeas: 9 – Nays: 0

RESOLUTION 15-029 By Moore, Supported by Gaffney

Resolved, That the Board ratify the Chairman's signature certifying the class, approving the attorney's fees and approving the settlement agreement in the Healthways, Inc. securities litigation matter.

Yeas: 7 – Nays: 0

RESOLUTION 15-030 By Gaffney, Supported by Bowman

Resolved, That the Board ratify the Chairman's signature on the books and records request in the Goodyear Tire & Rubber Company securities litigation matter.

Yeas: 7 – Nays: 0

RESOLUTION 15-039 By Nazarko, Supported by Gaffney

Resolved, that the Board ratify the Chairman's signature to apply for lead plaintiff status in the Aerie Pharmaceuticals, Inc. securities litigation.

Yeas: 7 – Nays: 0

RESOLUTION 15-061 By Gaffney, Supported by Bowman

Resolved, that the Board ratify the Chairman's signature on the Joint Declaration for Lead Plaintiff in the Class Certification of the Aerie Pharmaceuticals securities litigation.

Yeas: 10 – Nays: 0

RESOLUTION 15-062 By Gaffney, Supported by Bowman

Resolved, that the Board ratify the Chairman's signature on the Verified Stockholder Derivative Complaint in the Qualcomm Incorporated securities litigation.

Yeas: 10 – Nays: 0

RESOLUTION 15-085 By Nazarko, Supported by Moore

Resolved, That the Board authorizes the Board Chairman to execute necessary documents to effectuate the renewal of the Labor Management Trust Fiduciary Liability Insurance through Huttenlocher Group/Chubb for the period of December 1, 2015 through December 1, 2016 with the following terms: \$5 million limit/\$100 thousand deductible as proposed in the Renewal Proposal received October 26, 2015.

Yeas: 11 – Nays: 0

RESOLUTION 15-086 By Moore, Supported by Barnett

Resolved, That the Board ratifies the Board Chairman's signature on the Engagement Letter to engage the services of Plante Moran to review COLA calculations for the 2015 calendar year payment to retirees at a cost not to exceed \$2,500.00.

Yeas: 11 – Nays: 0

RESOLUTION 15-091 By Moore, Supported by Patrice Waterman

Resolved, That the Board receives and files the October 4, 2015 letter of legal counsel regarding the Brandywine Global Fixed Income Fund Investment Grade and attached Side Letter, and further authorizes the Board Chairman to execute the appropriate documents to cause the investment of System assets in the Brandywine Global Fixed Income Fund as initiated in Board Resolution 15-070.

Yeas: 9 – Nays: 0

**RESOLVED, THAT THE BOARD HEREBY RATIFIES TRUSTEE
ROBERT GIDDINGS SIGNATURE ON THE DOCUMENTS IDENTIFIED
IN THE RESOLUTIONS LISTED BELOW:**

RESOLUTION 16-027 By Gaffney, Supported by Moore

Resolved, That the Board ratify the Chairman's signature on the 2016 Audit Engagement Letter.

Yeas: 9 – Nays: 0

RESOLUTION 16-031 By Moore, Supported by Gaffney

Resolved, That the Board ratify the Chairman's signature on the revised Brandywine Schedule A.

Yeas: 9 – Nays: 0

RESOLUTION 16-039 By Gaffney, Supported by P. Waterman

Resolved, That the Board ratify the Chairman's signature and the \$85.00 filing fee for Form 8802

Yeas: 8 – Nays: 0

**RESOLVED, THAT THE BOARD HEREBY RATIFIES EXECUTIVE
DIRECTOR CECELIA CARTER'S SIGNATURE ON THE DOCUMENT
IDENTIFIED IN THE RESOLUTION LISTED BELOW:**

RESOLUTION 15-055 By Gaffney, Supported by Bowman

Resolved, that the Board ratify the Executive Director's signature on the Northern Trust plaintiff Declaration for Class Certification.

Yeas: 7 – Nays: 0

**RESOLVED, THAT THE BOARD HEREBY RATIFIES THE
RESOLUTIONS LISTED BELOW WHOSE PASSAGE DEPENDED UPON
THE VOTE OF TRUSTEE KONE BOWMAN AND/OR FORMER
CHAIRMAN CHARLIE HARRISON:**

RESOLUTION 14-033 By Gaffney, Supported by Bowman
Resolved, That the Board approve the consent agenda for April 23, 2014.

Yeas: 9 – Nays: 0

RESOLUTION 14-043 By Gaffney, Supported by Bowman
Resolved, That the Board approve the consent agenda for May 28, 2014 as amended.

Yeas: 10 – Nays: 0

RESOLUTION 14-046 By Bowman, Supported by Giddings

Whereas, in order to maintain educational levels consistent with established fiduciary responsibilities, the Board has previously identified conferences which Trustees were generally expected to attend (depending on educational and background levels); and

Whereas, the following industry conferences provide the level of training and education in public plan policy, investments, the legal and regulatory environments, etc... that contribute significantly to Trustee development: CAPPP, IFEBP, NASP, NCPERS, Opal Public Funds and Spring and Fall MAPERS; and

Whereas, the Board of Trustees is governed by the Public Employee Retirement System Investment Act, Michigan Public Act 314 of 1965 as amended; and

Whereas, the Educational Policy incorporates the limits imposed by Michigan Public Act 314 of 1965; and

Whereas, the policy restriction limiting the number of conferences Trustees may attend could hinder Trustees in their ability to gain the expertise necessary to discharge their fiduciary responsibilities, therefore be it

Resolved, that the educational policy is amended to reinstate the authorization for Trustees to attend the CAPPP, annual meetings of IFEBP, NASP, NCPERS, Opal Public Funds and Spring and Fall MAPERS, and further

Resolved, that the language is removed from the policy which restricts the number of conferences that Trustees may attend.

Yeas: 10 – Nays: 1 (Trustee Gaffney)

RESOLUTION 14-049 By Arndt, Supported by Bowman
Resolved, That the Board approve the amendment to the GrayCo Alternative Partners I Limited Partnership Agreement extending the delivery of the audited financial statements and tax information to each Partner from 120 days to 150 days after the end of the fiscal year.

Yeas: 11 – Nays: 0

RESOLUTION 14-051 By Gaffney, Supported by Bowman
Resolved, That the Board move to closed session to discuss pending litigation.

Roll Call:

Trustee Arndt – yea	Chairman Harrison - yea
Trustee Barnett – yea	Trustee Moore - yea
Trustee Bowman - yea	Trustee Nazarko - yea
Trustee Gaffney – yea	Trustee Deirdre Waterman - yea
Trustee Giddings - yea	Trustee Patrice Waterman – yea
	Trustee Williams - yea

RESOLUTION 14-055 By Bowman, Supported by Moore
Resolved, That the meeting be adjourned at 1:56 p.m.

Yeas: 9 – Nays: 0

RESOLUTION 14-056 By Moore, Supported by Gaffney
Resolved, That the Board authorize the adding of the Deferred Member Early Out Cost Study to the Agenda under Unfinished Business.

Yeas: 6 – Nays: 0

RESOLUTION 14-057 By Gaffney, Supported by Bowman
Resolved, That the Board approve the consent agenda for June 17, 2014.

Yeas: 6 – Nays: 0

RESOLUTION 14-058 By Moore, Supported by Gaffney
Resolved, That the Board approve the hiring of Kennedy Capital as the System’s small cap growth manager allocating \$10 million of Kennedy’s current allocation to small cap core contingent on legal review of the contract and the fees by the attorney.

Yeas: 6 – Nays: 0

RESOLUTION 14-059 By Gaffney, Supported by Bowman
Resolved, That the Board approve the transfer of \$3,500,000 from Sawgrass large cap growth account; \$1,500,000 from Gray large cap core (emerging) account; \$3,000,000 from Gray large cap value (Michigan) account; \$1,000,000 from Loomis Sayles small cap value account and

\$3,000,000 from WCM international equity account to provide for benefits and operating expenses for the next six months.

Yeas: 7 – Nays: 0

RESOLUTION 14-060 By Moore, Supported by Gaffney
Resolved, That the Board direct the Executive Director to forward a copy of the Deferred Member Early Out Cost Study to President, Patrice Waterman of the City Council.

Yeas: 7 – Nays: 0

RESOLUTION 14-061 By Bowman, Supported by Gaffney
Resolved, That the Board move to closed session to discuss pending litigation.

Roll Call:

Trustee Arndt – yea	Chairman Harrison - yea
Trustee Bowman– yea	Trustee Moore - yea
Trustee Gaffney - yea	Trustee Nazarko - yea
Trustee Giddings - yea	

RESOLUTION 014-062 By Moore, Supported by Bowman
Resolved, That the Board direct the Executive Director to forward a copy of the Vida Owusu-Agyei and Arthur Brown cost study to President, Patrice Waterman of the City Council and Mayor, Deirdre Holloway-Waterman.

Yeas: 7 – Nays: 0

RESOLUTION 14-063 By Bowman, Supported by Moore
Resolved, That the meeting be adjourned at 11:04 a.m.

Yeas: 7 – Nays: 0

RESOLUTION 14-076 By Giddings, Supported by Bowman
Resolved, That the Board approve the 85 basis points management fee for the \$10 million small-cap growth investment with Kennedy Capital.

Yeas: 7 – Nays: 0

RESOLUTION 14-0 By Gaffney, Supported by Barnett
Resolved, That the Board direct legal counsel to reach out to the Mayor and Tony Saunders to go through the Board’s Finance Sub-Committee process.

Yeas: 7 – Nays: 0

RESOLUTION 14-080 By Gaffney, Supported by Bowman
Resolved, that the Board approve to reduce the 2015 employee healthcare premiums by \$39.47.

Yeas: 9 – Nays: 0

RESOLUTION 14-084 By Gaffney, Supported by Bowman
Resolved, that the Board approve the closed session minutes for July 30, 2014.

Yeas: 9 – Nays: 0

RESOLUTION 014-095 By Gaffney, Supported by Barnett
Resolved, That the meeting be adjourned at 2:45 p.m.

Yeas: 6 – Nays: 0

RESOLUTION By, Supported
Move to Closed Session

Robert Giddings - yea
Janice Gaffney - yea
Patrice Waterman - yea
Nevrus Nazarko - yea
Kone Bowman – yea
Walter Moore - yea
Charlie Harrison, Chairman - yea

RESOLUTION 14-096 By Nazarko, Supported by Waterman
Resolved, To approve the information request from the City and to authorize the Retirement System's actuary to provide the requested information/reports to Mr. Tony Saunders of Conway MacKenzie and to concurrently provide copies of same to the Board of Trustees for the Retirement System;

Further Resolved, To authorize the Retirement System's actuary to speak directly with Mr. Tony Saunders and to further request that the actuary will promptly advise the Board of Trustees, through its legal counsel, of all conversations and/or communications and the content thereof;

Further Resolved, To authorize the Retirement System's legal counsel to approve any and all future information requests related to the mediation of the matter, *City of Pontiac Retired Employees' Association et al vs The City of Pontiac et al.*

Yeas: 6 – Nays: 0 (ALSO NEEDS TALLY CORRECTED)

RESOLUTION 14-097 By Gaffney, Supported by Bowman

Resolved, That the meeting be adjourned at 12:43 p.m.

Yeas: 6 – Nays: 0 (ALSO NEEDS TALLY CORRECTED)

RESOLUTION 14-103 By Gaffney, Supported by Bowman
Resolved, That the Board move to closed session to discuss pending litigation.

Roll Call:

Trustee Arndt – yea	Trustee Moore - yea
Trustee Barnett – yea	Trustee Nazarko - yea
Trustee Bowman - yea	Trustee Holloway-Waterman - yea
Trustee Gaffney - yea	Trustee Waterman- yea
Trustee Giddings - yea	Trustee Williams – yea
Chairman Harrison - yea	

RESOLUTION 14-115 By Gaffney, Supported by Bowman

Resolved, That the Board direct the Executive Director to send correspondence to high yield manager Peritus Asset Management indicating that no new equity positions can be added to the portfolio. The manager is given discretion to sell off the positions at their discretion.

Yeas: 11 – Nays: 0

RESOLUTION 15-001 By Giddings, Supported by Bowman

Resolved, That the Board approve the consent agenda for January 28, 2015 as amended.

Yeas: 9 – Nays: 0

RESOLUTION 15-006 By Williams, Supported by Gaffney

Resolved, That the Board approve the consent agenda for February 25, 2015 as amended.

Yeas: 6 – Nays: 0

RESOLUTION 15-023 By Gaffney, Supported by Bowman

Resolved, That the Board approve the consent agenda for April 29, 2015 as amended.

Yeas: 9 – Nays: 0

RESOLUTION 15-026 By Moore, Supported by Williams

Resolved, That the Board rescind Resolution 15-018 adopted at the March 25, 2015 meeting directing the Executive Director to implement a recovery plan to recoup the repayment of COLA overpayments beginning with two equal payments from non-union retirees (Hospital retirees excluded) starting in April, 2015 until receiving further direction from the Board.

Yeas: 7 – Nays: (1) Trustee Nazarko
Abs: (1) Trustee Deirdre Waterman

RESOLUTION 15-028 By Gaffney, Supported by Arndt

Resolved, That the Board move to closed session to discuss pending litigation.

Roll Call:

Trustee Arndt – yea
Trustee Bowman – yea
Trustee Gaffney - yea
Trustee Giddings - yea

Chairman Harrison – yea
Trustee Moore - yea
Trustee Deirdre Waterman - yea

RESOLUTION 15-031 By Moore, Supported by Arndt
Resolved, That the Board approve the closed session minutes for March 25, 2015.

Yeas: 7 – Nays: 0

RESOLUTION 15-032 By Moore, Supported by Gaffney
Resolved, That the meeting be adjourned at 1:06 p.m.

Yeas: 7 – Nays: 0

RESOLUTION 15-037 By Williams, Supported by Bowman
Resolved, That the Board approve the continued disability retirement for Mark White based on the Medical Director’s Independent Medical Exam.

Yeas: 8 – Nays: 0

RESOLUTION 15-038 By Gaffney, Supported by Bowman
Resolved, That the Board move to closed session to discuss pending litigation.

Roll Call:

Trustee Arndt – yea
Trustee Bowman - yea
Trustee Gaffney - yea
Trustee Giddings - yea

Chairman Harrison – yea
Trustee Nazarko - yea
Trustee Patrice Waterman - yea
Trustee Kevin Williams - yea

RESOLUTION 15-047 By Nazarko, Supported by D. Waterman
Resolved, That the Board adjourned the meeting at 10:06 a.m.

Yeas: 7 – Nays: 0

RESOLUTION 15-048 By Gaffney, Supported by Moore
Resolved, That the Board approve to add Attucks Asset Management under Unfinished Business on the agenda.

Yeas: 7 – Nays: 0

RESOLUTION 15-049 By Gaffney, Supported by Moore
Resolved, That the Board approved to move the Chairman’s Report after the Consent Agenda.

Yeas: 7 – Nays: 0

RESOLUTION 15-050 By Gaffney, Supported by Moore

Resolved, That the Board approve the consent agenda for June 24, 2015 as amended

Yeas: 7 – Nays: 0

RESOLUTION 15-051 By Gaffney, Supported by Arndt

Resolved, That the Board approve the continued disability retirement for Rodney based on the Medical Director's Independent Medical Exam.

Yeas: 6 – Nays: 0

RESOLUTION 15-052 By Gaffney, Supported by Moore

Resolved, That the Board receives and files the audited financial statements for the City of Pontiac General Employees' Retirement System for the year ending December 31, 2014.

Yeas: 7 – Nays: 0

RESOLUTION 15-053 By Moore, Supported by Gaffney

Resolved, That the Board approve the amended Freedom of Information Act Procedures and Guidelines as presented adopted June 24, 2015, effective July 1, 2015.

Yeas: 7 – Nays: 0

RESOLUTION 15-054 By Gaffney, Supported by P. Waterman

Resolved, That the Board move to closed session to discuss pending litigation.

Roll Call:

Trustee Arndt – yea

Chairman Harrison – yea

Trustee Bowman - yea

Trustee Moore - yea

Trustee Gaffney - yea

Trustee Patrice Waterman - yea

Trustee Giddings - yea

RESOLUTION 15-055 By Gaffney, Supported by Bowman

Resolved, that the Board ratify the Executive Director's signature on the Northern Trust plaintiff Declaration for Class Certification.

Yeas: 7 – Nays: 0

RESOLUTION 15-056 By Gaffney, Supported by Bowman

Resolved, that the Board authorize the dismissal of the lawsuit against the Movado Group, Inc., conditioned on the lack of any positive developments in the ongoing investigation by the deadline for filing the amended complaint.

Yeas: 7 – Nays: 0

RESOLUTION 15-057 By Gaffney, Supported by Moore

Resolved, that the Board approve the closed session minutes for May 27, 2015.

Yeas: 7 – Nays: 0

RESOLUTION 15-058 By Gaffney, Supported by Waterman
Resolved, That the meeting be adjourned at 12:47 p.m.

Yeas: 7 – Nays: 0

RESOLUTION 15-059 By Waterman, Supported by Bowman
Resolved, That the Board approve the agenda changes.

Yeas: 9 – Nays: 0

RESOLUTION 15-067 By Moore, Supported by P. Waterman
Resolved, That the Board approve the consent agenda for August 26, 2015.

Yeas: 7 – Nays: 0

RESOLUTION 15-071 By P. Waterman, Supported by Bowman

WHEREAS, the Retirement Board is vested with the authority and fiduciary responsibility for the proper administration, management and operation of the Retirement System, and

WHEREAS, the Retirement Board recognizes that it is responsible for ensuring the appropriate staff and internal controls are in place to ensure accurate calculations and accounting is transpiring in the administration of the Retirement System, and

WHEREAS, through the collective bargaining agreement process the City of Pontiac entered into various collective bargaining agreements with various unions and management of the City, thus providing for certain current retirees and future retirees the eligibility for a Cost of Living Adjustment (COLA) to their respective retirement allowance, and

WHEREAS, the Retirement Board has determined that it is in the best interest of the Retirement System to establish a COLA calculation review process, therefore be it

RESOLVED, that annually when calculating the application of the annual COLA to eligible retirees and beneficiaries of the City of Pontiac General Employees' Retirement System, the calculation will first be processed internally by Retirement System staff, the calculation method and results to be reviewed and approved by the then presiding actuary to the Retirement System, and then reported to and formally received by the Board through a Resolution, before execution of the COLA is applied to the retirees' pension payment, and further

RESOLVED, in order to implement the annual COLA payment to eligible retirees, the process will be based on retirees in pay status as of September 30, with calculation processed and approved by the actuary before being presented to the Board at its October board meeting, with the implementation processed and paid after Board approval and subject to the Executive Director reconciling the retiree list to a current list as of October 31. Retirees must be in pay status on October 31, in order to receive the annual COLA payment.

Yeas: 8 – Nays: 0

RESOLUTION 15-073 By Gaffney, Supported by Arndt

Resolved, that the Board agreed to stop all execution of administrative actions on the BDC investment pending further review.

Yeas: 6 – Nays: 0

RESOLUTION 15-074 By Giddings, Supported by Gaffney

Resolved, That the Board approve the establishment of the ICMA 401(a) Defined Contribution Plan with changes including the ability to amend the Plan for future hires.

Yeas: 6 – Nays: 0

RESOLUTION 15-075 By Arndt, Supported by Gaffney

Resolved, That the Board adjourned the meeting at 10:59 a.m.

Yeas: 6 – Nays: 0

RESOLUTION 15-079 By Waterman, Supported by Bowman

Resolved, That the Board move to closed session to review pending litigation

Roll Call:

Trustee Albritton – yea

Trustee Giddings - yea

Trustee Arndt – yea

Chairman Harrison - yea

Trustee Barnett – yea

Trustee Moore - yea

Trustee Bowman – yea

Trustee Nazarko - yea

Trustee Gaffney – yea

Trustee Deirdre Waterman - yea

RESOLUTION 15-088 By Patrice Waterman, Supported by Bowman

Resolved, That the Board accepts and files the Cost of Living Adjustment calculations as presented for retirees retired under a Collective Bargaining Agreement in the aggregate amount of approximately \$2.2 million dollars covering approximately 495 retirees, subject to the Executive Director reconciliation in accordance with Board's COLA Calculation Policy adopted August 26, 2015.

Yeas: 11 – Nays: 0

RESOLUTION 16-028 By Moore, Supported by K. Bowman

Resolved, That the Board adopt the proposed 2016 Trustee Election Process Timeline for the seat of Member-Trustee Representative.

Yeas: 9 – Nays: 0

RESOLUTION 16-036 By P. Waterman, Supported by Bowman

Resolved, That the Board approve payment of the following benefits to the former Executive Director: health, life and long-term disability benefits through March 31, 2016; the payout of vacation and sick accrued through March 11, 2016 with final check and distribution of 457 plan assets subsequent to final contribution and upon request.

Yeas: 6 – Nays: 0

Abs: 1 (Arndt)

RESOLUTION 16-037 By P. Waterman, Supported by D. Waterman

Resolved, That the Board approve the temporary salary increase for the Interim Executive Director to the current pay level for Executive Director effective February 1, 2016

Yeas: 6 – Nays: 0

Abs: 1 (Arndt)

RESOLUTION 16-048 By Nazarko, Supported by Gaffney

Resolved, That the Board authorizes the continuation of the liquidation of the remaining assets in the Peritus account assuming a retainer agreement can be executed with Oppenheimer or one of the other brokers on the directed brokerage firm list or another qualified firm.

Yeas: 6 – Nays: 1 (Nazarko)

RESOLUTION 16-049 By Bowman, Supported by Waterman

Resolved, That the meeting of the Board of Trustees of the City of Pontiac General Employees' Retirement System be adjourned at 1:49 p.m.

Yeas: 6 – Nays: 0

**RESOLUTION TO AMEND SOMETHING PREVIOUSLY ADOPTED
VOTE TALLIES:**

RESOLUTION 14-068 By Gaffney, Supported by Moore

Resolved, That the Board approve the request from Ambassador Capital Management to keep the cross-traded security in the portfolio based on the recommendation of the Consultant.

**Recorded as Yeas: 6 – Nays: 0
Actual Vote Yeas: 7 – Nays: 0**

RESOLUTION 15-066 By Gaffney, Supported by Waterman

Resolved, That the meeting be adjourned at 1:30 p.m.

**Recorded as Yeas: 7 – Nays: 0
Actual Vote Yeas: 10 – Nays: 0**

RESOLUTION 14-096 By Nazarko, Supported by Waterman

Resolved, To approve the information request from the City and to authorize the Retirement System's actuary to provide the requested information/reports to Mr. Tony Saunders of Conway MacKenzie and to concurrently provide copies of same to the Board of Trustees for the Retirement System;

Further Resolved, To authorize the Retirement System's actuary to speak directly with Mr. Tony Saunders and to further request that the actuary will promptly advise the Board of Trustees, through its legal counsel, of all conversations and/or communications and the content thereof;

Further Resolved, To authorize the Retirement System's legal counsel to approve any and all future information requests related to the mediation of the matter, *City of Pontiac Retired Employees' Association et al vs The City of Pontiac et al.*

**Recorded as Yeas: 6 – Nays: 0
Actual Vote Yeas: 7 – Nays: 0**

RESOLUTION 14-097 By Gaffney, Supported by Bowman

Resolved, That the meeting be adjourned at 12:43 p.m.

**Yeas: 6 – Nays: 0
Actual Vote Yeas: 7 – Nays: 0**

RESOLUTION #14-001
JANUARY 15, 2014

RESOLUTION 014-001 By Moore, Supported by Waterman

Whereas, the Board of Trustees has various responsibilities associated with administering the business of the Retirement System and for making effective the provisions thereof;

Now, Therefore, Be it Resolved that the Board wishes to remove Ellen Zimmermann and Debra Woods as signers from MHSCU/Affinity Group bank account and to add as signers Vice Chair Koné Bowman and Deborah Munson;

Further Resolved, That the Northern Trust Authorized Parties Document will be updated by removing Ellen Zimmermann and adding Chairman Charlie Harrison III and Vice Chair Koné Bowman;

Further Resolved, That the Northern Trust Web Cash Movement Individual User Authorization will be updated by removing Raymond Cochran, Craig Storum and Ellen Zimmermann and adding Chairman Charlie Harrison, III and Jane Arndt;

Further Resolved, That the Northern Trust Client Communication Callback Process will be updated by removing Ellen Zimmermann and adding Chairman Charlie Harrison III and Jane Arndt;

Further Resolved, That the Northern Trust Trade Order – Access Form will be updated by removing Ellen Zimmermann and adding Chairman Charlie Harrison III and Jane Arndt;

Further Resolved, That the Retirement Office Disbursements Process be updated to allow Jane Arndt to initiate and enter transactions on the Northern Trust website (with access limited to “enter only”); Deborah Munson to approve transactions for payment on Northern Trust website; and, Chairman, Charlie Harrison III and Vice Chair, Koné Bowman to review and sign off on a nightly transaction report that would detail vendor name, payment type, amount and total number of transactions. When appropriate, the transaction report would be accompanied by either a payroll reconciliation or capital call notice or such other additional information as may be appropriate to describe the payment. Both Trustees would be required to attest that they have reviewed the payments and have no additional questions.

Yeas: 8 – Nays: 0